

**701—42.23(422) Deduction of credits.** The credits against computed tax set forth in Iowa Code sections 422.5, 422.8, 422.10 through 422.12C, and 422.110 shall be deducted in the following sequence:

1. Personal exemption credits.
2. Tuition and textbook credit.
3. Nonresident and part-year resident credit.
4. Franchise tax credit.
5. S corporation apportionment credit.
6. School tuition organization tax credit.
7. Venture capital credits.
8. Endow Iowa tax credit.
9. Agricultural assets transfer tax credit.
10. Film qualified expenditure tax credit.
11. Film investment tax credit.
12. Investment tax credit.
13. Wind energy production tax credit.
14. Renewable energy tax credit.
15. New jobs credit.
16. Economic development region revolving fund tax credit.
17. Charitable conservation contribution tax credit.
18. Alternative minimum tax credit.
19. Historic preservation and cultural and entertainment district tax credit (refundable portion).
20. Ethanol blended gasoline tax credit or ethanol promotion tax credit.
21. Research activities credit.
22. Assistive device credit.
23. Out-of-state tax credit.
24. Child and dependent care credit or early childhood development tax credit.
25. Motor fuel credit.
26. Claim of right credit (if elected in accordance with rule 701—38.18(422)).
27. Wage-benefits tax credit.
28. Soy-based cutting tool oil tax credit.
29. Refundable portion of investment tax credit, as provided in subrule 42.2(10), paragraph “b.”
30. E-85 gasoline promotion tax credit.
31. Biodiesel blended fuel tax credit.
32. Soy-based transformer fluid tax credit.
33. Earned income tax credit.
34. Estimated payments, payment with vouchers and withholding tax.

This rule is intended to implement Iowa Code sections 422.5, 422.8, 422.10, 422.11, 422.11A, 422.11B, 422.11C, 422.11D, 422.11E, 422.11F, 422.11G, 422.11H, 422.11I, 422.11J, 422.11K, 422.11L, 422.11M, 422.11O, 422.11P, 422.11R, 422.11S, 422.11T, 422.11U, 422.12, 422.12B and 422.12C and 2008 Iowa Acts, House File 2700, section 62.